

## Message Text

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70

ACTION ARA-10

INFO OCT-01 ISO-00 L-02 COME-00 EB-07 RSC-01 /021 W

----- 078881

R 161850Z DEC 74

FM AMEMBASSY MONTEVIDEO

TO SECSTATE WASHDC 7855

LIMITED OFFICIAL USE MONTEVIDEO 3649

E.O. 11652: N/A

TAGS: BGEN, UY

SUBJ: HOLIDAY INNS

REF: MVD 0002

FOR ARA/APU/U

1. DEPARTMENT WILL RECALL THAT AT THIS TIME LAST YEAR (REFTEL) EMBASSY WAS ASSISTING HOLIDAY INNS TO EXPLAIN TO GOU THAT A PROPOSAL IN HOLIDAY INNS' NAME SUBMITTED BY TWO LOCAL ENTREPRENEURS TO BUILD A HOTEL HERE WAS UNAUTHORIZED. THE ISSUE HAS BEEN DORMANT SINCE THEN. RECENTLY ONE OF THE TWO LOCAL ENTREPRENEURS, MIGUEL PAIKES, VISITED EMBASSY TO INFORM US THAT HE HOPED TO VISIT MEMPHIS SOON AND ATTEMPT TO TALK TO HOLIDAY INNS BOARD CHAIRMAN KEMMONS WILSON. HE SAID HE WOULD PRESENT HIS CASE AND THAT OF HIS COLLEAGUE, EDUARDO HENON, FOR COMPENSATION FOR TIME SPENT ON PROPOSAL ON HOLIDAY INNS' BEHALF. PAIKES WAS ACCCOMPANIED ON VISIT BY A BRITISH CITIZEN, MR. YORK NOVLE, WHO CLAIMED TO BE OLD FRIEND AND LONG TIME BUSINESS ASSOCIATE OF KEMMONS WILSON.

2. COMMENT: AT ONE TIME IN THE PAST, PAIKES AND HENON WERE AUTHORIZED BY HOLIDAY INNS TO EXPLORE POSSIBILITIES OF HOLIDAY INNS HOTEL INVESTMENT IN URUGUAY. THERE WAS NO CLEAR TIME LIMIT ATTACHED TO THE AUTHORIZATION BUT HOLIDAY INNS LOST INTEREST IN PURSUING THE INVESTMENT SOME TIME AGO. PAIKES AND HENON CONTINUED THEIR ACTIVITIES LEADING TO THE PROBLEMS THAT DEVELOPED AT THIS TIME LAST YEAR. THAT ISSUE HAS NOW BEEN RESOLVED. THE

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PROBLEM OF WHETHER PAIKES AND HENON ARE DUE ANY COMPENSATION

FOR ANY OF THEIR ACTIVITIES APPEARS TO BE ONE BETWEEN THEM AND HOLIDAY INNS. USG INTEREST IN THE MATTER APPEARS TO HAVE ENDED WHEN WE SUCCESSFULLY EXPLAINED HOLIDAY INNS' POSITION TO GOU AND HELPED TO AVOID A MISUNDERSTANDING. NEVERTHELESS, WE RECOMMEND THAT HOLIDAY INNS BE ALERTED THAT THEIR PROBLEMS WITH PAIKES/HENON MAY NOT BE ENTIRELY OVER. END COMMENT:.

3. ACTION REQUESTED: PLEASE CALL KEMMONS WILSON (901)  
362-4435 AND INFORM HIM CONTENTS OF PARA 1.  
SIRACUSA

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NNN

## Message Attributes

**Automatic Decaptoning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Date:** 28 MAY 2004  
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**Disposition History:** n/a  
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